

rate of the prior calendar year, of total potential bed complement of the facility, whichever is greater.

#### **TRANSACTIONS WHICH REDUCE REPORTED COST OF PATIENT CARE**

Operations may result in the receipt of revenue from sources other than the direct care of patients. Where it is determined that these amounts are in fact, reductions of previously incurred costs or are added revenue associated with the business purposes of the facility, such amounts must be offset against operating costs. For example, income earned from reserving beds, sale of meals, interest income, sale of supplies, etc., should be used to reduce costs.

#### **REFUNDS, DISCOUNTS, AND ALLOWANCES**

Refunds, discounts and allowances received on purchased goods or services must be netted against the purchase price.

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**APPENDIX 'A'****BASE YEAR AND AUDIT SCHEDULING**

The Schedule for Base Year Calendar Year 1991 and Subsequent Base Years and For Scheduling Base Year Audits Will Be Determined As Follows:

1. Participating Nursing Facilities will be grouped into one level of care category and listed in numerical sequence by license number.
2. During the first audit schedule year and every third year thereafter, the first and each subsequent third listed facility will be scheduled for audit.
3. During the second audit schedule year and every third year thereafter, the second and each subsequent third listed facility will be scheduled for audit.
4. During the third audit schedule year and every third year thereafter, the third and each subsequent third listed facility will be scheduled for audit.
5. Newly constructed facilities and facilities that change ownership will be audited after the completion of six months of operations. Thereafter, these facilities will be scheduled to be audited by adding them to the original listing of facilities by license number sequence.
6. Facilities previously licensed but non-participating that subsequently become participating

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in the Rhode Island Medicaid Program will be audited after the completion of six months of operation. Thereafter, these facilities will be scheduled to be audited by adding them to the last appearing facility license number at the time of certification.

7. Multiple facilities that are operated, managed and/or controlled by an In-State Central/Home Office or an In-State Management Group will be assigned the same base year and will be scheduled for audit by grouping the facilities. The lowest licensed numbered facility will determine the audit scheduling process by applying provisions 2 through 4 above. Additional facilities serviced by the In-State Central/Home Office will not alter base years and/or audit scheduling of its grouping.

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**APPENDIX 'B'**  
**USEFUL LIFE OF LAND IMPROVEMENTS,  
BUILDINGS, AND FIXED EQUIPMENT**

<u>LAND IMPROVEMENTS</u>	<u>YEARS</u>	<u>FIXED EQUIPMENT</u>	<u>YEARS</u>
Fencing		Building Services Equipment:	
Brick or stone	25	Electric Lighting and	
Chain link	15	Power feed wiring	20
Wire	5	Conduit and wiring	20
Wood	8	Fixtures	10
Flagpole	20	Transformer	20
Paving (including roadways, walks, and parking)		Switch gear	20
Asphalt	15	Elevator	
Concrete	20	Dumbwaiter	20
Gravel	5	Freight	20
Retaining wall	20	Passenger, high-speed	
Shrubs, lawns, and trees	10	automatic	20
Sign	12	Passenger, other	20
Turf, artificial	5	Central television	
Underground sewer and		antenna system	15
water lines	30	Central clock system	20
Yard lighting	15	Heating, ventilating, and air conditioning	20
		Air conditioning system, all equipment and units	
<b>BUILDINGS</b>		Large-over 20 tons	15
Boiler house	25	Medium-5 to 10 tons	10
Garage		Small-under 5 tons	8
Masonry	25	Boiler	20
Wood frame	15	Compressor, air	15
Masonry, reinforced		Condensate tank	20
concrete frame	40	Condenser	15
Masonry, steel frame,		Controls	20
fireproofed	40	Cooler and dehumidifier	10
Masonry, steel frame		Cooling tower	
not fireproofed	30	Wood	15
Masonry, wood frame	25	Metal	15
Multilevel parking		Duct work	20
structure, masonry	25	Fan, air handling and ventilating	15
Residence		Filter	15
Masonry	25	Furnace, domestic type	15
Wood frame	25	Incinerator, indoor	20
Storage building	20		

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Oil storage tank	20	Sewerage, composite	30
Piping	25	Piping	25
Precipitator	15	Sump pump and	
Pump	15	sewerage ejector	10
Radiator, cast iron	30	Telephone system	20
Radiator, finned tube	20	Vacuum cleaning system	15
Unit heater	10		
Nurse call system	15		
Oxygen, gas, air piping	25		
Paging system	15	Other Fixed Equipment	
Plumbing, composite	25		
Fixtures	20	Built-in bench, bin	
Piping	25	cabinet, counter,	
Pump	15	shelving	20
Water heater, commercial	15	Conveying system	15
Water storage tank	20	Generator set	20
Sprinkler and fire		Hood, fume	20
Protection system	25	Sink and drainboard	20
Fire alarm system	20	Sterilizer, built-in	20
Fire pump	20		
Sprinkler system	25		
Tank and tower	25		

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**APPENDIX 'B'**  
**USEFUL LIVES OF INDIVIDUAL ITEMS OF MAJOR MOVABLE EQUIPMENT**

<u>Item</u>	<u>Years</u>	<u>Item</u>	<u>Years</u>
Accelerator	8	Block, butcher or meat	10
Accounting/Bookkeeping machine	10	Blood chem.analyzer,auto	8
Adding machine	10	Blood cell counter	10
Air conditioner (window)	8	Blood gas analyzer	10
Analyzer, gas	10	Blood gas appar, volumetric	10
Analyzer, oxygen	10	Blood warmer	10
Ambulance	4	Blood warmer coil	10
Amplifier	10	Boiler, copper	20
Anesthesia unit	12	Bookcase, metal	20
Ankle exerciser	15	Bottle washer	10
Apparatus		Breathing unit, pos pressure	8
Anesthesia	12	Boiler	15
Resuscitating	10	Buffer, electric	10
Blood transfusion	15	Bulletin board	10
Bone Surgery	10	Burnisher, silverware	15
Audiometer	10	Cabinet, bedside	15
Autoclave	20	Cabinet, metal or wood	20
Automobile, delivery	4	Cabinet, solution	20
Automobile, passenger	4	Calculator	10
Autoscaler, ionic	10	Camera	8
Aspirator	10	Camera, TV monitoring, color or black and white	8
Balance	15	Camera, videotape, color or black and white	10
Basal metabolism unit	8	Canopy, ventilating, ironer	15
Bassinet	15	Capsule machine	15
Bassinet, heated	10	Cardioscope	8
Bath paraffin	15	Carpeting	5
Bath, serological	15	Cart, food/tray, heat-refrig.	10
Bath, water, laboratory	15	Cash register	10
Bed, electric	15	Cassett Changer	15
Bed, manual	15	Cautery Unit	10
Bench, metal or wood	15	Central processing unit	10
Bin, metal or wood	20	Centrifuge	15
Biochem anal unit, micro	8	Chair, dental	15
Blanket, drier	15	Chair, executive	15
Blanket warmer	15	Chair, metal or wood	20
Bleach tank	15		

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<u>Item</u>	<u>Years</u>	<u>Item</u>	<u>Years</u>
Chair, specialist	15	Data printing unit	8
Chair, wheel	15	Data storage unit, mechanical	10
Chart, rack	20	Data storage unit, nonmechanical	20
Check signer	10	Data tape processing unit, incl.	
Chromatograph, gas	10	controller, drive, tape deck	10
Clock	15	Decalcifier	10
Clothes locker, floor or metal	20	Defibrillator	8
Clothes locker, mounted or wall	12	Densitometer, recording	8
Cobalt unit	8	Dermatome	10
Coffee grinder	10	Desk, metal or wood	20
Cold pack unit, floor	10	Diathermal apparatus	10
Collator, electric	10	Diathermy unit	10
Collector, silver automatic	10	Dictating equipment	10
Colorimeter	10	Dilutor	15
Compactor, waste	10	Dish Sterilizer	10
Compressor, air	15	Dishwasher	10
Conductivity tester	10	Disinfector	15
Conveyer, tray	15	Dispenser, alcohol	15
Conveying system, laundry	15	Dispenser, butter, refrigerated	10
Cooker, pressure, food	10	Dispenser, milk or cream	10
Cooker, starch	20	Distilling apparatus	20
Cooler, walk-in first aid	20	Dresser	20
Cooler, water	10	Drier, clothes	10
Counter, food service	15	Drier, hair	10
Croupette	10	Drier, sonic	10
Crusher, syringes	10	Drill press	20
Cryosurgical unit	10	Drying oven, paint shop	12
Cryostat	10	Duplicator	10
Curtain stretcher	15	Electrocardiograph	8
Cutter, cloth, electric	10	Electroencephalograph	8
Cutter, food	10	Electromyograph	8
Cystometer	10	Electrophoresis unit	8
Cystoscope	10	Electrosurgical unit	8
Dampener	15	Ether-suction unit	10
Data card processing unit,		Evacuator	15
including keyboard, verifier,		Exercise apparatus	15
reader, sorter	10	Extractor, fruit juice	10

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<u>Item</u>	<u>Years</u>	<u>Item</u>	<u>Years</u>
Extractor, laundry	15	Incubator, nursery	15
Fire extinguisher	20	Indicator, remote	10
Floor scrubbing machine	8	Infusion pump	10
Floor waxing machine	8	Inhalator	10
Flowmeter	10	Intercom	15
Fluorimeter	10	Ironer, flatwork	15
Fluoroscope	10	Ironing board	15
Folder, flatwork	15	Isotope equipment	8
Food chopper	15	Jointer/planer, electric	20
Frame, turning	15	Kettle, steam jacketed	15
Fryer, deep fat	10	Kickbucket	10
Furnace, laboratory	15	Kidney dialyzer	8
Glove conditioner	10	Kiln	15
Glove drier	10	Kymograph	10
Glove powdering machine	10	Ladder	10
Glove tester	10	Lamp, deep therapy	10
Graphotype	15	Lamp, emergency	10
Griddle	12	Lamp, infrared	10
Grinder, bench	15	Lamp, mercury quartz	10
Grinder, food waste	15	Lamp, microscope	10
Hamper	5	Laryngoscope	10
Heart-Lung system	8	Lathe	12
Hemoglobinometer	10	Lawn mower, power	4
Hemodialysis unit	10	Library furnishings	20
Homogenizer	15	Lifter, patient	15
Hot plate	10	Light, delivery	15
Humidifier	10	Light, examining	10
Hydrotherapy equipment	15	Light, operating	15
Hyfrecator	10	Light, portable, emergency	15
Hypothermia apparatus	12	Linen cart	15
Ice cream freeze	10	Linen drier	20
Ice cream storage cabinet	10	Linen marker	15
Ice cube making, equipt	10	Linen press	20
Illumntr unit, multifilm	15	Linen table	15
Illuminator unit, single	20	Linen washer	15
Imprinter, embossed plate	10	Mailing machine	10
Incubator, laboratory	15	Mannequin	10

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<u>Item</u>	<u>Years</u>	<u>Item</u>	<u>Years</u>
Marking machine	15	Photography apparatus, gross	
Mattress	8	pathology	15
Meat chopper	10	Photometer	8
Meter, pH	10	Physician's in-and-out register,	
Microfilm unit	10	portable	15
Microscope	10	Piano	20
Microprojector	15	Pipette, automatic	10
Microtome	12	Planer and shaper, electric	20
Mixer, commercial type	15	Polisher, floor	8
Model, anatomical	10	Polishing and buffing machine	8
Monitor, TV	10	Power supply	10
Mop truck	10	Press, laundry	15
Narcotic safe	25	Proctoscope	10
Nebulizer	10	Projection machine	15
Operating stool	20	Projector, slide	20
Ophthalmoscope	10	Prothrombin timer, automated	10
Oscilloscope	12	Pulmonary function	10
Osmometer	10	equipment	10
Otoscope	10	Pump, vacuum or pressure	10
Ottoman	10	Rack, pot or pan	20
Oven, baking	15	Radiation counter	8
Oven, microwave	10	Radiation meter	10
Oven, paraffin	10	Radioactive source, cobalt	5
Oven, roasting	15	Radiographic-fluorosc. comb.	8
Oven, sterilizing	10	Range, household	15
Oximeter	10	Recorder, laboratory	10
Oxygen tnk, mtr, and truck	8	Refractometer	10
Pacemaker, cardiac	8	Refrigerator, blood bank	10
Patient monitoring equipt	8	Refrigerator, commercial type	10
Paint spray booth	15	Remote control receiver	10
Paint spraying machine	10	Resuscitator	10
Paper baler	20	Rinser, sonic	10
Parallel bars	15	Safe	25
Peeler, vegetable, elctrc	15	Sanitizer	20
Photocoagulator	10	Saw, autopsy	10
Photocopier	10	Saw, bench, electric	20

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<u>Item</u>	<u>Years</u>	<u>Item</u>	<u>Years</u>
Saw, surgical, electric	10	Stretcher	15
Saw, neurosurgery	10	Suction pump	10
Scale, laundry, platform	20	Table, anesthetic	15
Scale, laundry, movable	12	Table, autopsy	20
Scale, postal	10	Table, examining	15
Scanner, isotope	8	Table, metal	20
Scintillation scaler	8	Table, obstetrical	20
Seriograph, automatic	10	Table, operating	20
Sewing machine	15	Table, refrigerated	10
Shaking machine	10	Table, therapy	15
Sharpnr, microtome knife	12	Table, wood	12
Shears, squaring, floor	12	Tank, hot water	15
Shelving, portble, steel	20	Tank, paraffin	15
Shoulder wheel	20	Tank, soap	15
Sigmoidoscope	10	Television receiver	8
Skeleton	10	Tent, oxygen	8
Slicer, bread	10	Thermometer, electronic	10
Slide stainer, lab	10	Time recording equipment	10
Slit lamp	10	Tissue processor	10
Snow blower	8	Titration, automatic	10
Soap dispenser	10	Toaster, commercial type	10
Spectroscope	10	Traction unit	10
Spectrophotometer	8	Tractor	10
Sphygmomanometer	10	Transcribing equipment	10
Stall bars	20	Treadmill, electric	8
Stamp machine	10	Truck, hot food	10
Stand, irrigating	20	Tube tester	10
Stapler, electric or air	10	Tumbler	15
Steam pack equipment	12	Typewriter, electric	5
Steamer, vegetable	10	Typewriter, manual	8
Stencil machine	10	Ultrasonic cleaner	10
Sterilizer, movable	20	Urn, coffee	10
Stethophone	10	Urn, milk	10
Stimulator, muscle	10	Vacuum cleaner	10
Stirrer	10	Vending machine	10
Stock pot	10	Venetian blind	10
Stool, metal or wood	20	Ventilating fan	15

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